



# **Act 1 Budget Process and Financial Benchmarking**

**For December 11, 2023 Joint Governance Meeting**

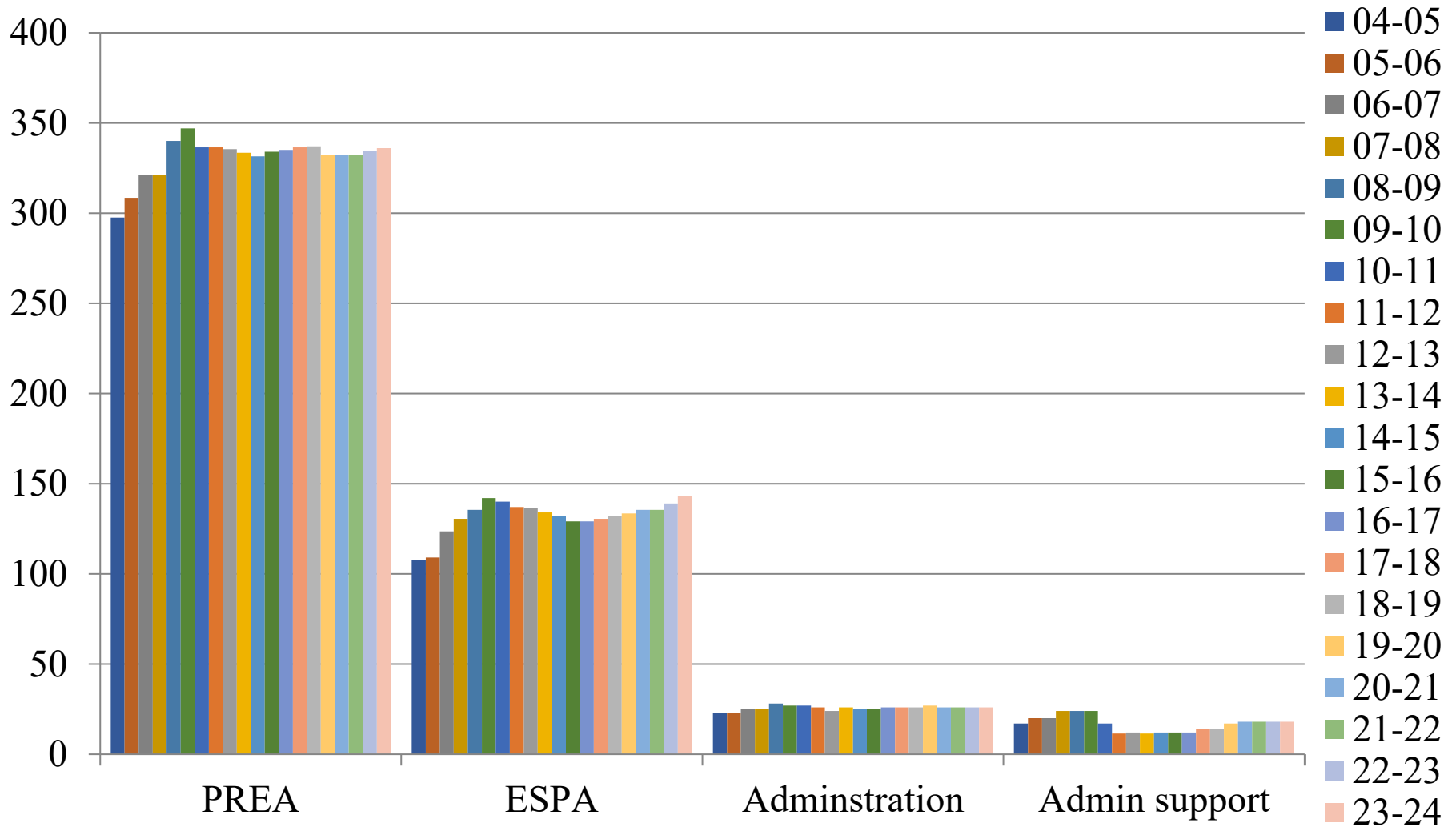


# Act 1 Budgeting Process

- Act 1 Resolution
  - January 2024 Board Agenda action item
  - Certifying the school board will not raise taxes above the base index of 5.3% for the 2024-2025 fiscal year
- Draft Proposed Final Budget
  - Large amount of unknown factors
  - As of the current date, the 2023-2024 state fiscal budget has not been finalized. The state is four months past the fiscal deadline
  - Developed using trend analysis at a high level



# Staffing



“Focus on learning for every student every day.”

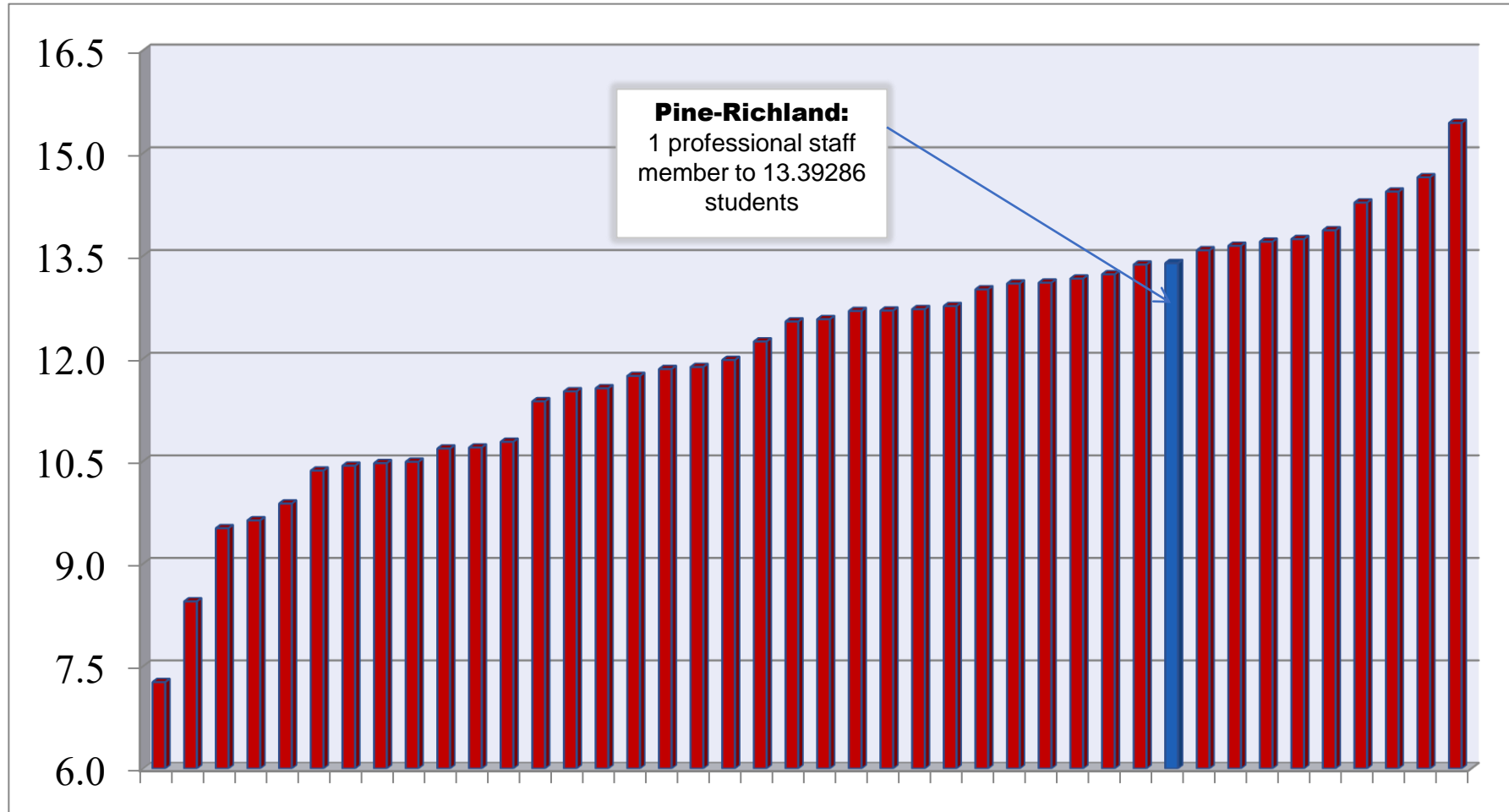


# Staffing

- Staffing represents 64% of operational costs given existing outsourcing of technology, transportation, and food service.
- Comparisons (2023 AIU Directory):
  - Professional Staff: Student
    - PRSD = 1 professional staff member:13.39286 students (32 of 42 school districts in AIU have a lower ratio)
  - Administration: Professional Staff
    - PRSD = 1 administrator:12.932 professional staff members (33 of 42 school districts in the AIU have a lower ratio)
  - Administration: Student
    - PRSD = 1 administrator:173.0769 students (35 of 42 school districts in AIU have a lower ratio)
- **Higher ratios support operational efficiency for staffing.** Our efficiency is also consistent across all three indicators (equally lean).

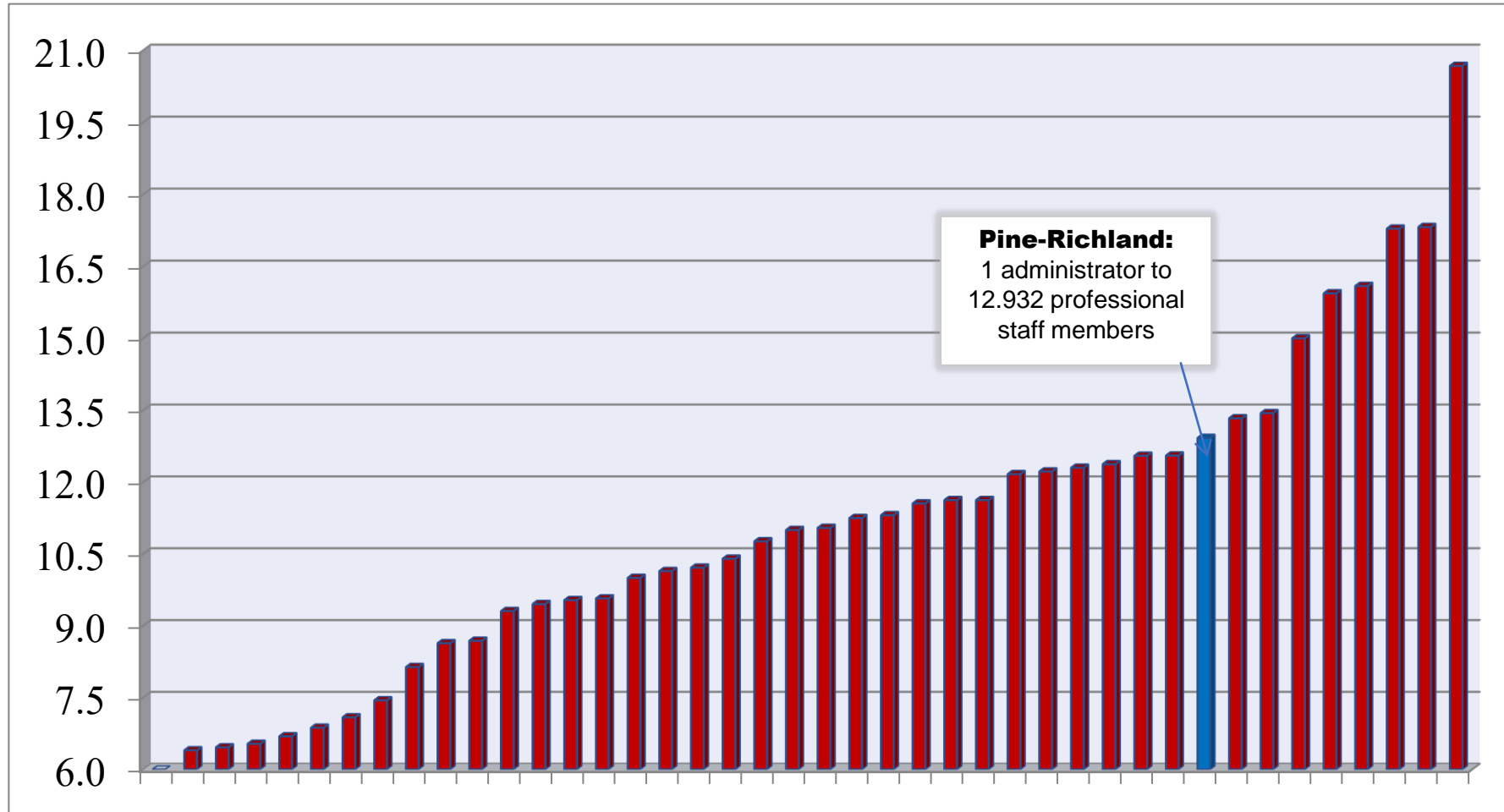


# Professional Staff to Student Ratio





# Administration to Professional Staff Ratio

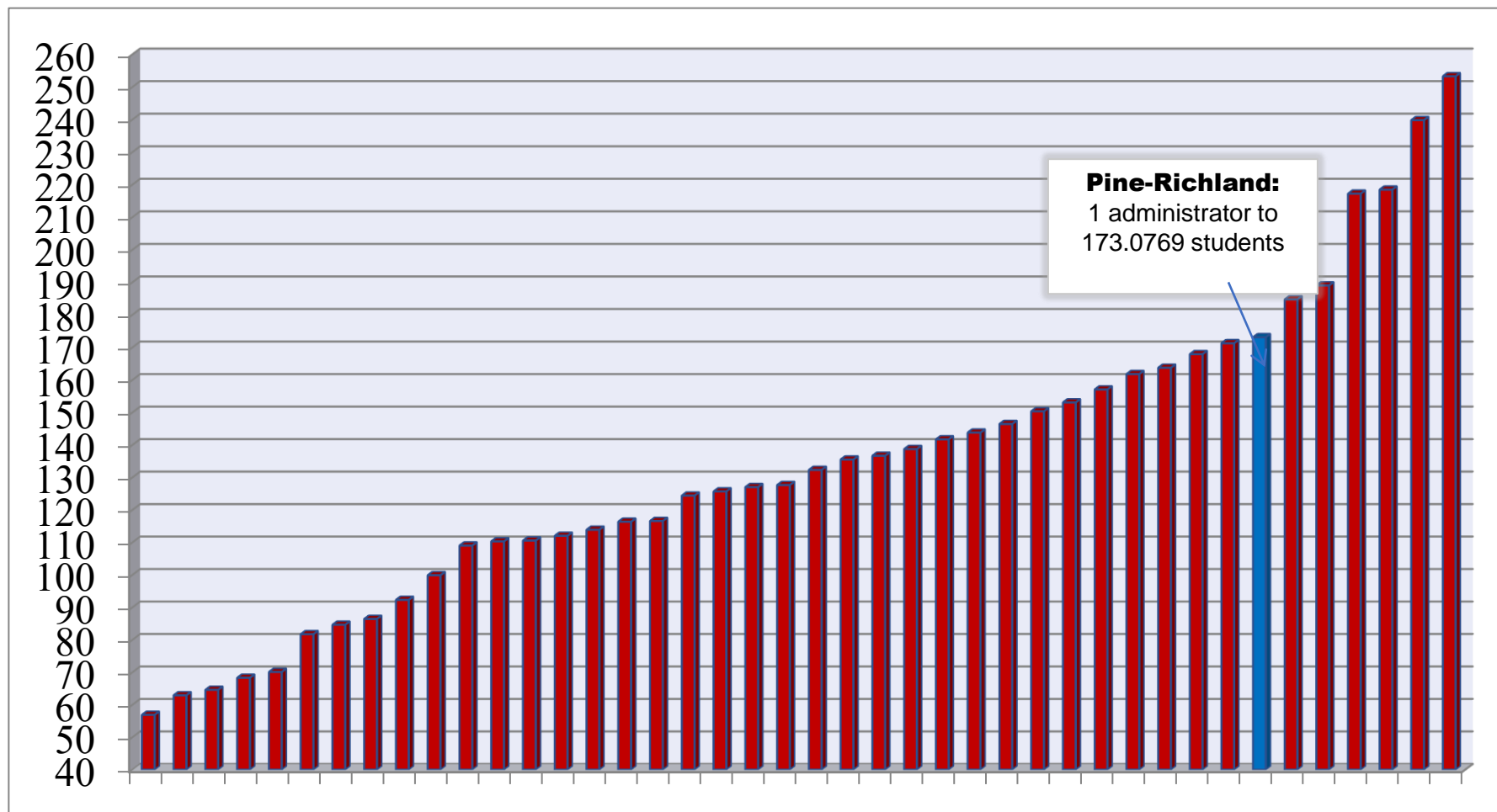


Source: 2023 Allegheny Intermediate Unit Directory

“Focus on learning for every student every day.”



# Administration to Student Ratio



Source: 2023 Allegheny Intermediate Unit Directory

“Focus on learning for every student every day.”



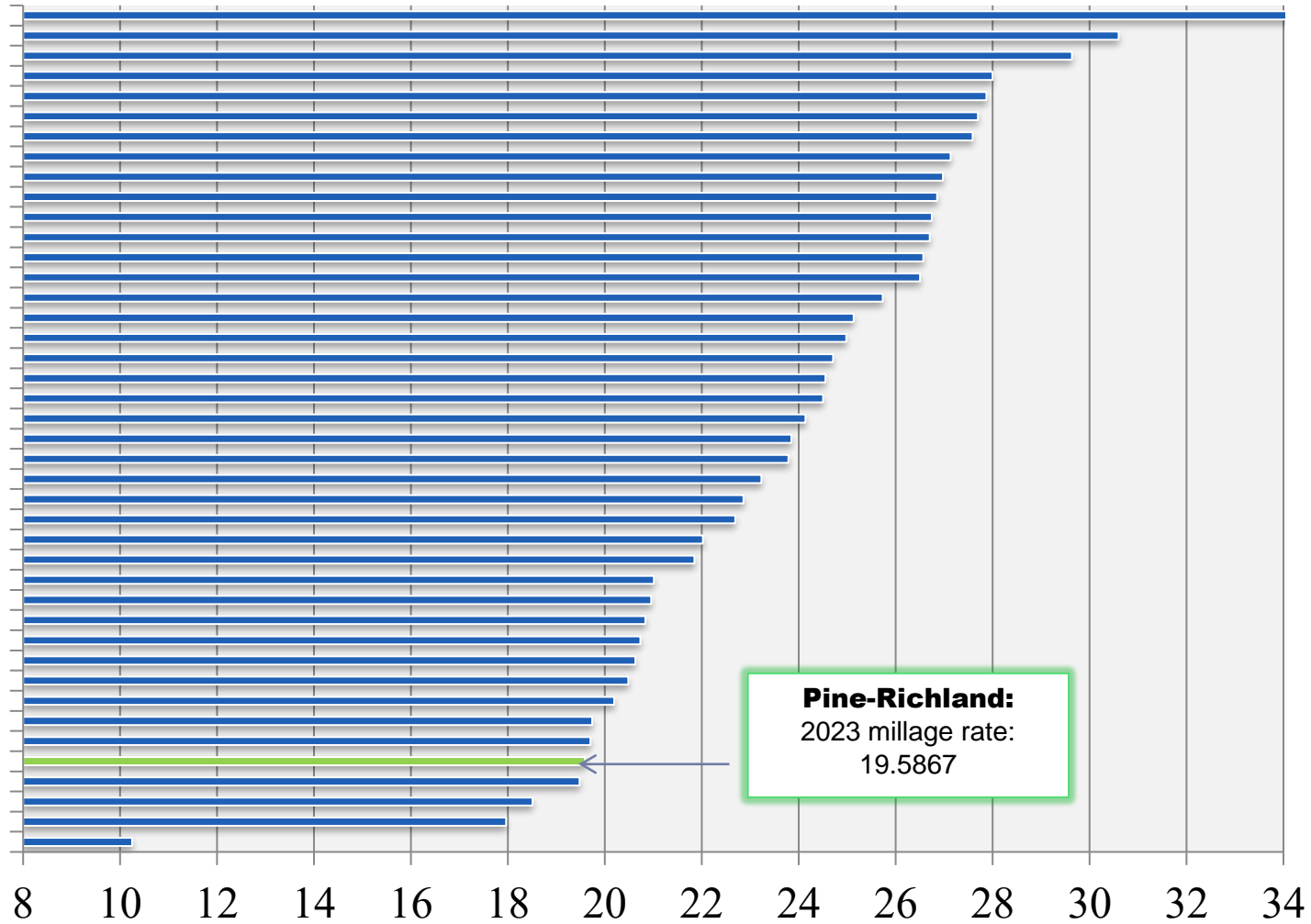
# Efficiency

- Similar to our budgetary process last year, the administration continued to review the following benchmarking data:
  - Allegheny County Millage Rates
  - Market Value Aid Ratio Analysis
  - PDE Per Pupil Calculations (2021-2022)
    - Total Expenditures / Enrollment
    - Total Expenditure Less Capital Outlay and Debt / Enrollment
    - Total Revenue by Major Category / Enrollment
  - Tuition Rate Calculation (2022-2023)
  - Fund Balance Levels
- The key finding of all analyses is that the district is operating at a high level of efficiency related to staff (i.e., ROI). This is particularly true given the growth and residential make-up of the district.





# Allegheny County 2023 Millage Rates

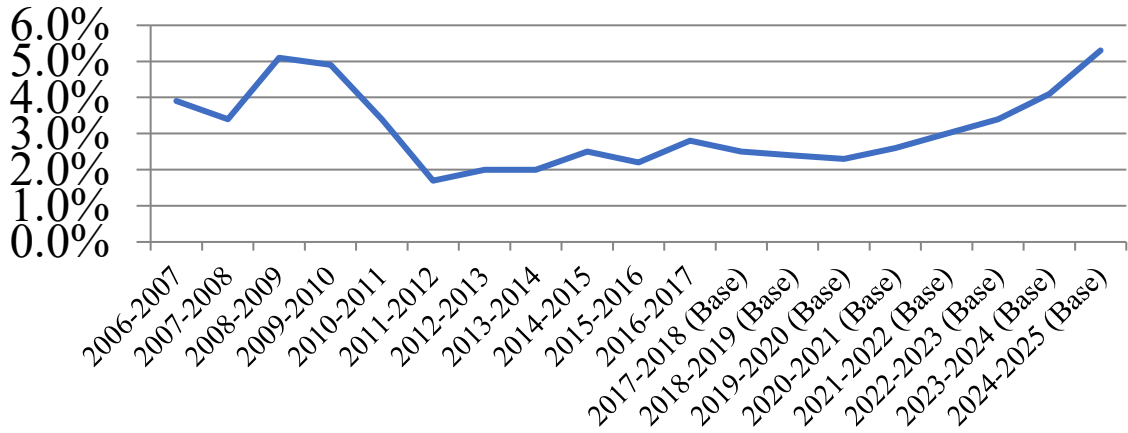


“Focus on learning for every student every day.”

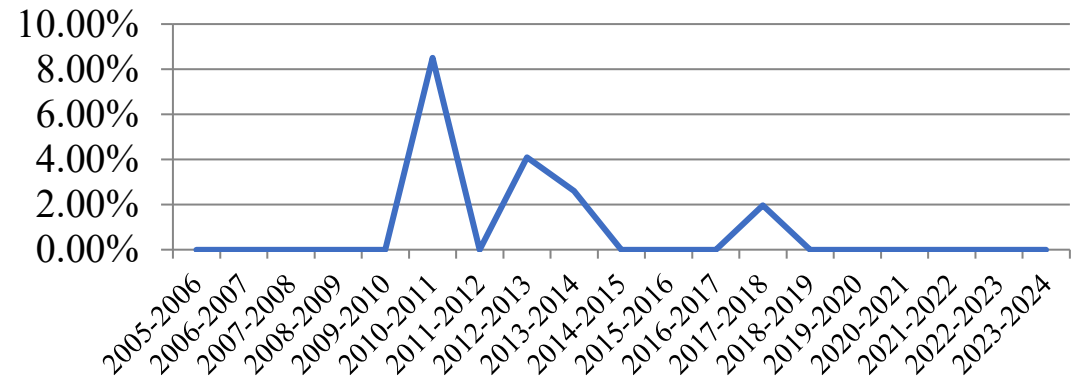


# Act 1 of 2006

**Index: Pine-Richland**



**History of % change in millage rate**



The Act 1 index is calculated on the statewide average weekly wage & federal employment cost index. This index regulates the annual rate at which each school district can raise property taxes in Pennsylvania ~ similar to COLA (cost of living adjustment).

Exceptions to the limitation: special education cost increases, retirement rate cost increases, certain construction costs

# Market Value Aid Ratio



## Allegheny County

- In Allegheny County, Pine-Richland School District is ranked 9<sup>th</sup> out of 43 school districts.
- The previous year ranking within Allegheny County was 8<sup>th</sup>.

## Pennsylvania

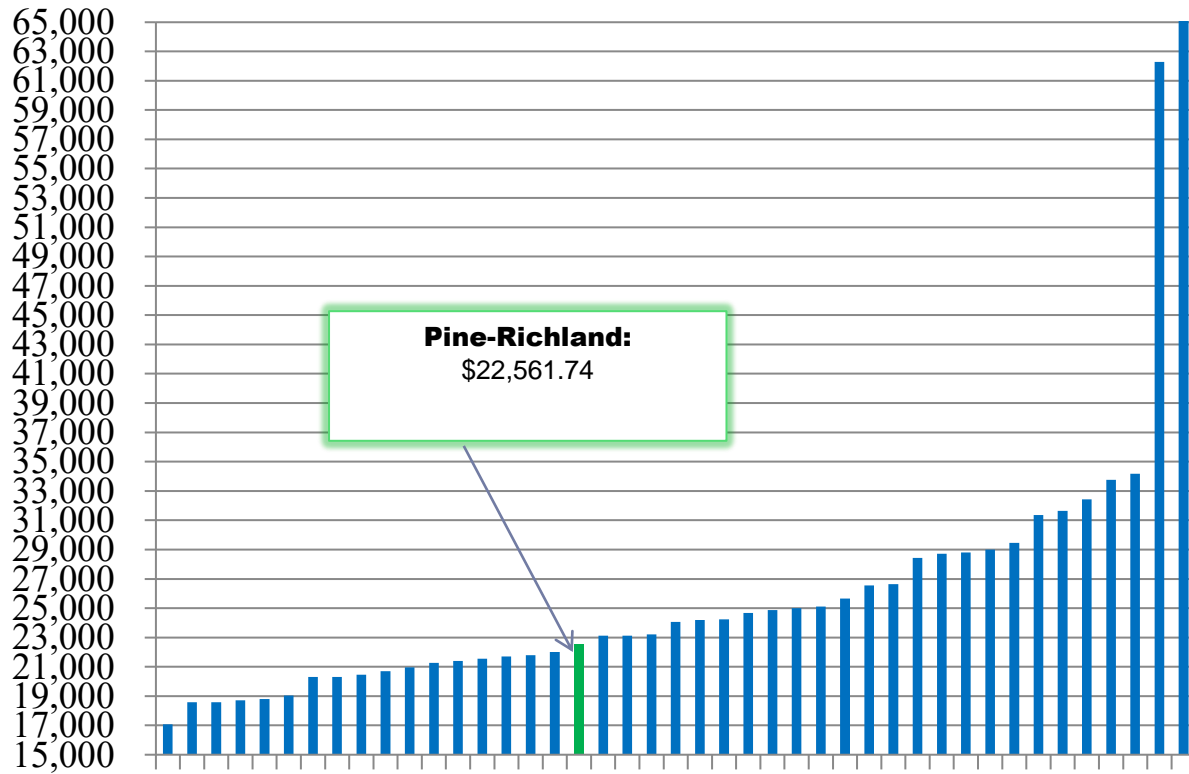
- Statewide, Pine-Richland School District is ranked 84<sup>th</sup> out of 500 school districts.
- This decreased by five from the previous year ranking of 89<sup>th</sup> of 500 school districts across the State.

Source: Pennsylvania Dept. of Education website – Financial Data Elements – market value per weighted average daily membership - 2023-2024 Ratios

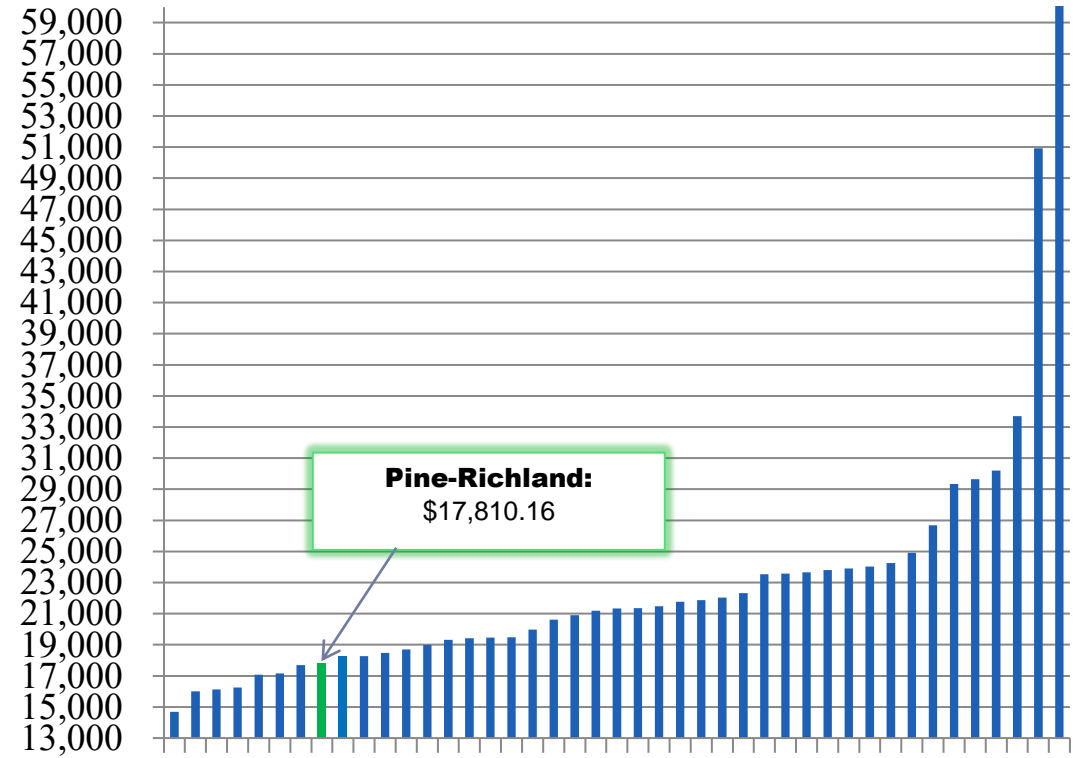


# PDE Per Pupil Calculations

## Total Expenditures / Enrollment



## Total Expenditures Less Capital Outlay and Debt Service / Enrollment



Source: Pennsylvania Dept. of Education (AFR data for most recent year available – 2021-2022)



# Efficiency

- The key finding of all analyses is that the district is operating at a high level of efficiency related to staff and expenditures (i.e., ROI). This is particularly true given the growth and residential make-up of the district.



# Timeline

- Late Winter/Early Spring 2024– finance joint governance meeting
- April/May 2024 – adoption of proposed final budget
  - Budget documents must be advertised and on display for at least 20 days prior to adoption of final budget
- May 1, 2024 – PA Department of Education notifies school districts of their state allocation of property tax reduction funding and Allegheny County assessor’s office will provide a listing of approved homesteads
- June 2024 – adoption of tax rates & final budget